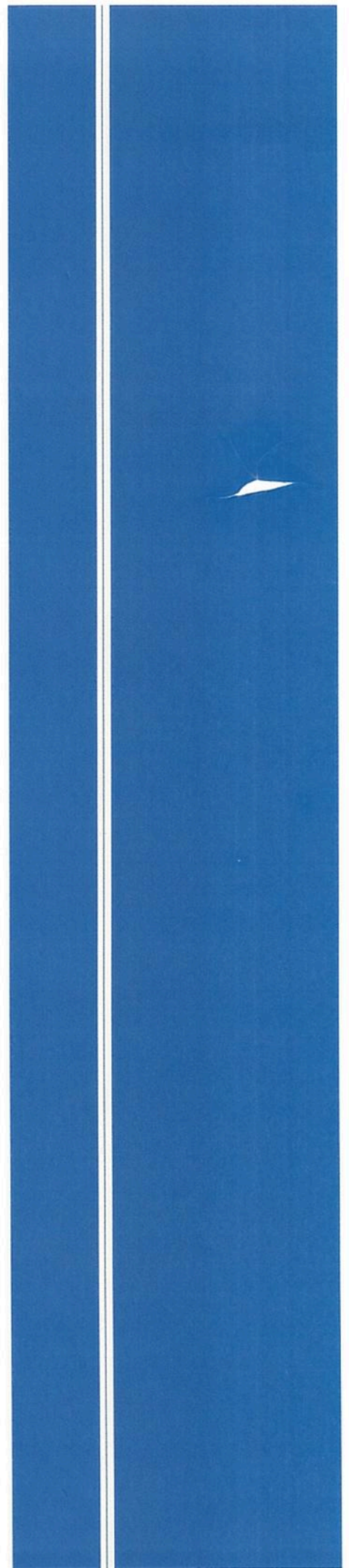


NDB Wealth Money Fund

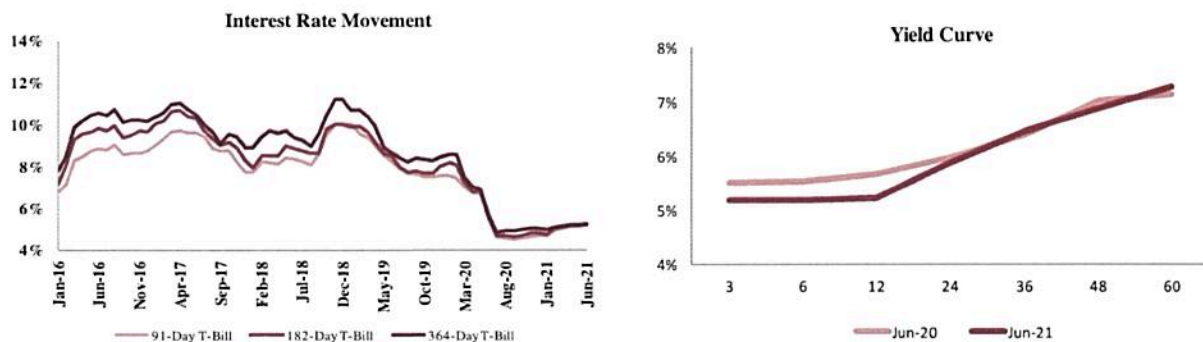
Financial Statements for the Period
Ended 30th June 2021



Fund Review 1st Half 2021 - NDB Wealth Money Fund

The Central Bank of Sri Lanka (CBSL) held its policy rates stable during the period under review, with a view of maintaining an accommodative monetary policy stance, to support the ongoing recovery of the economy hampered by the Covid-19 pandemic. Accordingly, the Standing Lending Facility Rate (SLF) and the Standing Deposit Facility Rate (SDF) were maintained at 5.50% and 4.50% respectively while the Statutory Reserve Ratio (SRR) was maintained at 2.00% during the first half of the year. However, interest rates saw upward pressure across the yield curve with the benchmark 364-day Treasury bill rate edging up to 5.23% by the end of June 2021 from lows of 4.98% seen at the beginning of the year (Source: Central Bank of Sri Lanka).

Overall, macro-economic weakness, the depreciating rupee and the heavy external debt servicing burden continued to deter foreign investors from the local market, with foreign investors continuing to exit out of Rupee denominated government securities and foreign holding of local Treasury bills and bonds declining to a historic low of LKR 2.49 bn as of 30th June 2021 (Source: Central Bank of Sri Lanka).



Source: Central Bank of Sri Lanka

Credit to the private sector recovered considerably during the period under review on the back of Central Bank's loose monetary policy stance, leading to historically low lending rates driving private sector demand for credit. On the fiscal front, overall budget deficit for 2021 is expected to expand significantly, amidst the continued impact of the pandemic leading to slower growth, fragile revenue collections and the escalation of expenditure.

During the period under review the NDB Wealth Money Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

	NDB Wealth Money Fund	*Average Weighted Deposit Rate (AWDR) ^{*6-month avg.}
Performance - 1 st Half 2021	2.54% (after fees)	N/A
Annualized Performance - 1 st Half 2021	5.08% (after fees)	5.18%

*Source: Central Bank of Sri Lanka

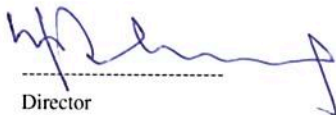
We expect interest rates to see upward pressure during the second half of the year owing to fiscal slippage, the high debt servicing burden and the increasing demand for credit from the private sector. Further, inflationary pressures stemming from rising global commodity prices, the Rupee depreciation and demand side factors may prompt policymakers to engage in appropriate policy action in terms of monetary tightening.

NDB WEALTH MONEY FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	2021 LKR	2020 LKR
Interest income	1	24,696,184	14,939,265
Expenses	2	(3,010,926)	(1,318,330)
Profit before tax		<u>21,685,258</u>	<u>13,620,935</u>
Income tax expense	3	<u>-</u>	<u>-</u>
Profit for the year		21,685,258	13,620,935
Other comprehensive income		-	-
Total comprehensive income for the year		<u>21,685,258</u>	<u>13,620,935</u>
Increase in net assets attributable to unitholders		<u>21,685,258</u>	<u>13,620,935</u>

**NDB WEALTH MONEY FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	30.06.2021 LKR	31.12.2020 LKR
ASSETS			
Cash at bank		25,000	25,000
Financial assets measured at amortised cost	4	831,465,479	884,745,326
Tax recoverable	5	-	-
Total assets		<u>831,490,479</u>	<u>884,770,326</u>
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Accrued expenses	6	<u>624,558</u>	<u>847,311</u>
Total liabilities		<u>624,558</u>	<u>847,311</u>
Net assets attributable to unitholders		<u><u>830,865,924</u></u>	<u><u>883,923,018</u></u>
UNITHOLDER'S FUNDS			
Unit capital		394,323,292	430,258,377
Retained earnings		<u>436,542,633</u>	<u>453,664,641</u>
Net assets attributable to unitholders	7	<u><u>830,865,924</u></u>	<u><u>883,923,018</u></u>



Director
NDB Wealth Management Ltd
Fund Management Company



Director
NDB Wealth Management Ltd
Fund Management Company

**NDB WEALTH MONEY FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUND
FOR THE PERIOD ENDED 30 JUNE 2021**

	Unit capital	Retained earnings	Total
	LKR	LKR	LKR
Balance as at 1 January 2020	86,397,291	77,724,703	164,121,993
Net decrease due to creation and redemption of units	343,861,086	337,410,927	681,272,013
Increase in net assets attributable to unitholders	-	38,529,011	38,529,011
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	38,529,011	38,529,011
Balance as at 31 December 2020	<u>430,258,377</u>	<u>453,664,641</u>	<u>883,923,018</u>
Net decrease due to creation and redemption of units	(35,935,085)	(38,807,267)	(74,742,352)
Increase in net assets attributable to unitholders	-	21,685,258	21,685,258
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	21,685,258	21,685,258
Balance as at 30 June 2021	<u><u>394,323,292</u></u>	<u><u>436,542,633</u></u>	<u><u>830,865,924</u></u>

**NDB WEALTH MONEY FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	2021	2020
	LKR	LKR
Cash flows from operating activities		
Interest received	37,974,138	15,120,961
Tax paid	-	-
Management fees paid	(2,365,328)	(655,207)
Other expenses paid	(868,351)	(490,603)
Net movement in fixed deposits	(30,540,992)	(401,287,783)
Net cash generated from operating activities	<u>4,199,466</u>	<u>(387,312,631)</u>
 Cash flows from financing activities		
Proceeds on creation of units	152,661,235	460,794,145
Payments on redemption of units	(227,403,586)	(29,208,475)
Net cash generated from / (used in) financing activities	<u>(74,742,352)</u>	<u>431,585,670</u>
 Net increase / (decrease) in cash and cash equivalents	(70,542,886)	44,273,039
Cash and cash equivalents at the beginning of the year	<u>274,993,790</u>	<u>17,522,639</u>
Cash and cash equivalents at the end of the year	<u><u>204,450,904</u></u>	<u><u>61,795,678</u></u>
 Cash and cash equivalents at the end of the year comprises of:		
Cash at bank	25,000	25,001
Financial instruments - maturity within 3 months	<u>204,425,904</u>	<u>61,770,677</u>
	<u><u>204,450,904</u></u>	<u><u>61,795,678</u></u>

**NDB WEALTH MONEY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

	2021	2020
	LKR	LKR
1. Interest income		
Treasury bills under repurchase agreements (long term)	1,151,561	-
Treasury bills under repurchase agreements (short term)	1,941,711	132,580
Fixed deposits	20,329,592	13,468,758
Interest on money market saving accounts	<u>1,273,320</u>	<u>1,337,927</u>
	<u><u>24,696,184</u></u>	<u><u>14,939,265</u></u>
2. Expenses		
Management fee	2,334,238	851,518
Trustee fee	687,539	250,811
Custodian fee	64,268	64,593
Auditors Remuneration	(59,348)	108,135
Tax consultancy fee	(22,834)	26,906
Bank charges	<u>7,062</u>	<u>16,368</u>
	<u><u>3,010,926</u></u>	<u><u>1,318,330</u></u>
3. Income tax		
Tax expense for the year	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

- 3.1** The fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle in accordance with the new Inland Revenue Act No. 24 of 2017 effective from 1 April 2018. Hence no provision for the income tax was made in the financial statements.

NDB WEALTH MONEY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

	30.06.2021 LKR	As a % of net assets value	31.12.2020 LKR	As a % of net assets value
4. Financial assets measured at amortised cost				
Treasury bills under repurchase agreements (short term) (Note 4.1)	100,215,753	12.06%	121,238,232	13.72%
Fixed deposits (Note 4.2)	626,253,160	75.37%	609,511,493	68.96%
Investment in money market saving accounts (Note 4.3)	104,996,565	12.64%	153,995,601	17.42%
	<u>831,465,479</u>	<u>100%</u>	<u>884,745,326</u>	<u>100%</u>
4.1 Treasury bills under repurchase agreements (short term)				
Company	30.06.2021 LKR	As a % of net assets value	31.12.2020 LKR	As a % of net asset value
Capital Alliance LTD	-	-	70,903,415	8.02%
First Capital	100,215,753	12.06%	50,334,817	5.69%
	<u>100,215,753</u>	<u>12.06%</u>	<u>121,238,232</u>	<u>14%</u>
4.2 Fixed deposits				
Company	30.06.2021 LKR	As a % of net asset value	31.12.2020 LKR	As a % of net asset value
Peoples Bank	93,093,196	11.20%	193,551,681	21.90%
DFCC Bank PLC	-	0.00%	72,592,945	8.21%
National Savings Bank	186,851,125	22.49%	181,961,319	20.59%
National Development Bank	-	-	-	-
Bank of Ceylon	225,576,373	27.15%	92,075,274	10.42%
Sampath Bank	-	0.00%	31,971,370	3.62%
Cargills Bank	120,732,466	14.53%	37,358,904	4.23%
	<u>626,253,160</u>	<u>75.37%</u>	<u>609,511,493</u>	<u>68.96%</u>
4.3 Investment in money market saving accounts				
Company	30.06.2021 LKR	As a % of net asset value	31.12.2020 LKR	As a % of net asset value
Hatton National Bank PLC	23,877,758	2.87%	153,995,601	17.42%
DFCC	81,118,807	9.76%	-	-
	<u>104,996,565</u>	<u>2.87%</u>	<u>153,995,601</u>	<u>17.42%</u>